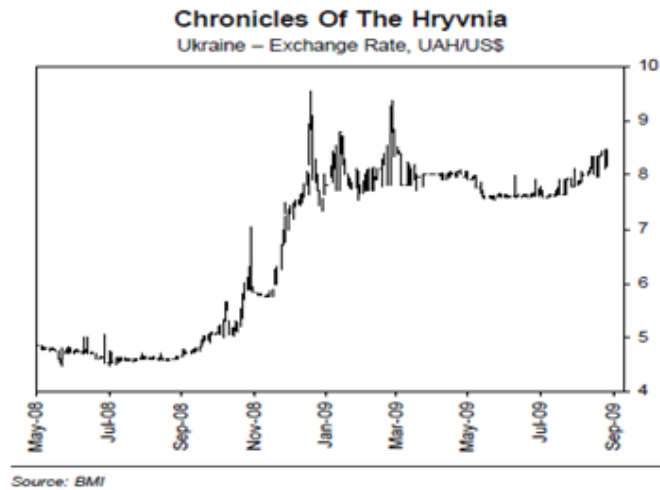


Forecast of the Hryvnia

The possibility of the Ukraine currency, Hryvnia, gaining value is not promising in the short-term. Economists are expecting the Hryvnia to drop to 9.00UAH to 1US. The cause of the depreciation comes from Ukraine increasing debt from borrowing practices. Its current drop to 8.4380UAH on August 24th of this year is sending red flags.



Despite this recent bad news Ukraine's currency, the Hryvnia is expected to recover some by the end of 2010; mostly due to the loan from the IMF and the National Bank of Ukraine involvement in the financial markets.

BMI UKRAINE CURRENCY FORECASTS

	Spot	Short-Term	End-09	End-10
UAH/US\$	8.1500	8.5000	9.0000	8.0000
UAH/EUR	12.13	12.30	12.60	10.40
Policy Rate (%)	10.25	10.25	9.50	9.00

Source: BMI, August 26 2009

Ukraine was already approved by the IMF for a loan amount of 16.4 billion dollars. Even so, experts are saying the loan has done to little to restore trust in currency. A possible reason might be the fact that the Ukraine government must adhere to the IMF arrangement for solving the problem which has been subjected to certain political stipulations.

<http://web.ebscohost.com/ehost/pdf?vid=5&hid=13&sid=c1db3554-de45-484b-8a86-d8de6898aeb1%40sessionmgr4>

<http://web.ebscohost.com/ehost/pdf?vid=4&hid=13&sid=dc18a3e6-9458-4aee-a609-e089288b94cf%40sessionmgr14>

http://www.rgemonitor.com/economonitor-monitor/255825/ukraine_vulnerable_to_default